



Uniform Medical Plan

Your health. Your plan. Your choice.

Volume 3, Issue 1

Provider Bulletin

January 2001

Please circulate the UMP *Provider Bulletin* to the appropriate clinical, billing, and bookkeeping staff.

A Personal Note from Andrew Brunskill, M.D., Medical Director

The UMP wants to pay for value in health care.
Please let us know how we are doing.

- ▶ Thank you for referring patients to the Free and Clear Smoking Cessation Program! For every \$1 million spent on advising patients to quit smoking, **1,000 years of life are saved**. Compare that to mammograms for women aged 55-65, which save 10 years of life per \$1 million; or screening and treating low-risk men aged <45 for high cholesterol, which saves one year of life per \$1 million. This tobacco cessation service is the most effective intervention program most physicians will ever be able to offer, and is available either **free of charge** or at a nominal fee to our members. Also, feedback on Free and Clear services is appreciated, as we are promoting the program to our public employees and retirees. For a citation on the impacts of preventive services, see: Vogt, T.M., Hollis, J.F., and Lichtenstein, E. et al., "The medical care system and prevention: the need for a new paradigm." HMO Practice 1998 Mar;12(1):5-13.
- ▶ Influenza and pneumonia immunizations are covered in full under the UMP's preventive care benefit and are highly effective, based on the U.S. Preventive Services Task Force guidelines (see: <http://www.ahcpr.gov/clinic/uspstf/uspstf.htm>). We depend on you to promote the use of this benefit, so please encourage your patients to have these injections!
- ▶ We are continuing to offer special programs to patients with diabetes, involving both the Department of Health (DOH) Diabetes Collaborative and a program using pagers to assist with patient self-monitoring. After these programs have been evaluated for effectiveness and cost, we will share the results with you. We hope to develop similar programs for patients with asthma and congestive heart failure.

Programs to detect and appropriately treat patients with depression have not moved forward due to confidentiality issues which restrict us at the plan level, so we encourage you to take the initiative in this area for now.

- ▶ Our drug utilization review (DUR) program is continuing. This program limits reimbursement for some expensive products based on indication, quantity, or duration. Drug costs and utilization continue to grow rapidly, due to the effects of consumer demand, commercial advertising, and new product availability. While restrictions on drug coverage are unpopular with our members, the alternative is an even less popular increase in premiums. We urge prescribers to consider "step" therapy for conditions such as cholesterol, blood pressure, and dyspepsia control using national guidelines where appropriate.
- ▶ We expect to improve our management reporting and clinical analysis capabilities this year, and continue to review our credentialing and provider network policies. Although our present network is extensive, it is not based on quality of care data. How important is board certification? How should we respond to disciplinary actions about sexual activities with patients, drug or alcohol use, or prescribing irregularities? Can we identify providers and facilities with better or worse practices or outcomes and, if so, how should we respond?
- ▶ The UMP now accepts massage practitioners into our provider network, in response to both

IN THIS ISSUE

A Personal Note from Andrew Brunskill, M.D., Medical Director.....	1
2001 Preferred Provider and Participating Pharmacy Directory Information	2
2001 Certificate of Coverage (COC) Information	2
Payment Systems and Billing Instruction Updates...	4
Announcements and Other Information.....	6

Contraceptives

- ▶ All forms of contraceptives approved by the Food and Drug Administration are now covered. This includes intrauterine devices, cervical caps, and long-acting progestational agents (such as Norplant-type products).

Emergency Room Visit

- ▶ A \$50 co-payment per emergency room visit replaces the previous emergency room deductible.

Hospice

- ▶ The UMP's 100% payment policy for hospice treatment only applies to preauthorized treatment by a preferred hospice agency. In the absence of prior authorization, the UMP reimburses such services at either 90% of the fee schedule for preferred providers, 60% of allowed charges for non-preferred providers, or 80% of allowed charges for out-of-area providers.

Massage Therapy

- ▶ Massage therapy is now included under the UMP's Physical, Occupational, Speech, and Massage Therapy benefit, up to a combined total of 60 visits per calendar year. The massage therapist **must be a UMP-preferred provider** for coverage and payment of the massage services.
- ▶ We have contracted with Alternäre Health Services, Inc. (located in Seattle, Washington) to provide the preferred provider network of Licensed Massage Practitioners (LMP) for UMP members for 2001. Only services provided by LMPs participating in the Alternäre Health Services, Inc. network or those contracted under a UMP-delegated preferred group/clinic agreement are covered. Preferred LMPs are identified in the enclosed addendum to the UMP *Preferred Provider Directory*.
- ▶ Any LMPs interested in becoming a preferred provider for the UMP should contact Alternäre Health Services, Inc. at (206) 405-2923 (locally) or 1-800-500-0997 (toll-free).

Organ Transplants

- ▶ In the past, organ transplants were not covered when considered "experimental and investigational." Coverage decisions for organ transplants are now based on what is clinically the most appropriate care for an individual patient's condition. Refer to the definition of "coverage criteria" in the 2001 COC.

Preventive Care

- ▶ The UMP continues to follow the *U.S. Preventive Services Task Force Guidelines* for preventive care coverage determinations. Additions to the UMP's preventive care benefits include pneumococcal conjugate for children through 59 months of age; yearly influenza vaccine for persons six months of age and older; and annual prostate specific antigen tests for men age 50 and older.
- ▶ UMP maximum allowances for preventive care benefits are not subject to a deductible and are reimbursed at 100%. Services provided during a routine physical exam that are not in the *U.S. Preventive Services Task Force Guidelines*, and where a secondary diagnosis is provided (such as an electrocardiogram [EKG] for hypertension), will be subject to the annual medical/surgical deductible and co-insurance for non-preventive services.

Prescription Drug Benefits

- ▶ A new annual prescription drug deductible (\$100/person, \$300/family) was implemented, which is separate from the annual medical/surgical deductible (\$200/person, \$600/family).
- ▶ Prescription drug charges no longer accrue towards the member's annual out-of-pocket limit (\$1,125/person, \$2,250/family).
- ▶ Plan coverage and member coinsurance for retail prescription drugs:

	plan coverage	member coinsurance
generic drugs	90%	10%
single-source brand drugs	70%	30%
multi-source brand drugs	50%	50%

- ▶ With the exception of specific cases, such as those who are chronically ill and covered under the Free and Clear Smoking Cessation Program, members will always have a coinsurance or copayment for prescription drugs.
- ▶ After meeting the prescription drug deductible, the members' coinsurance for retail prescriptions is capped at a maximum of \$75 per prescription or refill.
- ▶ The maximum quantity limit was reduced from a 100- to 90-day supply for both retail and mail-order prescription drugs.
- ▶ Insulin, insulin syringes, and disposable diabetic supplies will be covered as generic drugs (i.e., 10% coinsurance at a retail pharmacy, \$20 copay

for a 90-day supply through mail order). **Please note:** When the disposable diabetic supplies are purchased through a durable medical equipment supplier (non-pharmacy), coverage and payment will be considered under the "Durable Medical Equipment, Supplies, and Prosthesis" benefit and subject to the medical/surgical deductible.

All pharmacy claims must be submitted to Merck-Medco Managed Care, L.L.C. for UMP payment consideration. For customer service regarding prescriptions and pharmacy claims, call Merck-Medco Managed Care, L.L.C. at 1-800-903-8224. For more details pertaining to UMP prescription drug benefits, including clarification on prescription substitutions, please refer to the COC.

Visit Limits Clarification

- ▮ Visits applied to the calendar year deductible also count toward the calendar year visit limit or benefit maximum.

Please refer to the COC for updates related to the following benefits:

- ▮ Appeal procedures for members
- ▮ Newborn care
- ▮ Waiver for vehicular accident protection

Payment Systems and Billing Instruction Updates

2001 CPT and HCPCS Level II Procedure Codes Additions

The UMP has implemented the annual coding changes made by the:

- ▮ American Medical Association in their revision of the Physician's Current Procedural Terminology (CPT) coding system; and
- ▮ Health Care Financing Administration (HCFA) in their revision of the HCFA Common Procedure Coding System (HCPCS) level II codes.

The new codes are valid for dates of service on or after January 1, 2001. Deleted CPT and HCPCS level II codes will not be valid for dates of service after March 31, 2001, when the UMP's deleted code grace period ends.

The applicable fee schedules on our Web site at www.wa.gov/hca/ump contain the UMP maximum allowance information for the new codes.

Influenza Vaccine Maximum Allowances Increased

The facility and non-facility setting maximum allowances on the UMP's *Fee Schedule for Professional Providers* for the three influenza virus

vaccine product codes (CPT 90657 – 90659) were increased to \$4.92. The updated rate is based on 95% of the average wholesale price for this season's influenza vaccine.

Anesthesia Payment System

Several new CPT anesthesia codes, including one anesthesia add-on code were added to the UMP anesthesia payment system on January 1, 2001. The anesthesia services described below should be reported with the new 2001 *American Society of Anesthesiologists Relative Value Guide* (ASARVG) codes indicated below for dates of service on or after January 1, 2001. (Prior to January 1, 2001, these services were reported under codes 01951 and 01952.)

- ▮ Code 01961 - anesthesia for diagnostic or therapeutic nerve blocks and injections (when block or injection is performed by a different provider).
- ▮ Code 01962 - anesthesia for diagnostic or therapeutic nerve blocks and injections—patient in the prone position (when block or injection is performed by a different provider).

CPT 2001 included three new anesthesia codes (01951-01953) for reporting second- and third-degree burn excisions or debridements.

- ▮ Like other anesthesia procedure codes, the new burn excision or debridement codes 01951 and 01952 are reimbursed by the UMP according to anesthesia base units and total anesthesia time. Total anesthesia minutes must be reported in the units field (#24g) of the HCFA-1500 claim form for payment consideration.
- ▮ New burn excision or debridement code 01953 is an add-on anesthesia code for each additional 9% total body surface area or part thereof. The add-on code is reported and paid separately with the primary anesthesia code (01952). At the present time, the UMP's maximum allowance for the add-on code (01953) is \$40.09 (per each additional 9% total body surface area or part thereof). The number reported in the units field on the HCFA 1500 claim form for the add-on code must represent each additional 9% total body surface area or part thereof, not anesthesia minutes. In this circumstance, the total anesthesia time is reported and paid under the primary anesthesia code (01952).
- ▮ When team care (anesthesiologist and certified registered nurse anesthetist) is involved, the UMP maximum allowance is divided between the two provider types, with each receiving 50% of the maximum allowance.

The anesthesia base units for all of the new anesthesia codes are on the updated UMP *Anesthesia Fee Schedule*, which is available on the UMP Web site.

RU-486 Abortion Drug and Related Professional Services (Coding and Payment Information)

The RU-486 abortion drug is a covered benefit under the UMP. The drugs administered in the providers' offices must be reported with the following new codes for payment consideration:

Code	Description
S0190	Mifepristone, oral, 200 mg.
S0191	Misoprostol, oral, 200 mcg.

The associated professional services should be reported with the appropriate CPT evaluation and management (E&M) or other applicable procedure codes for payment consideration. The UMP will not reimburse professional services reported under the newly created HCPCS code S0199. Covered professional services will be reimbursed according to the UMP *Fee Schedule for Professional Providers*, which can be downloaded from the UMP Web site.

Breast Pumps Coverage and Payment Information

The UMP is now covering breast pumps under the Durable Medical Equipment, Supplies, and Prosthesis benefit. A maximum plan payment of \$50 per pregnancy will apply towards the **purchase or rental** of a breast pump (regardless of type). The member is responsible for any balance exceeding the maximum benefit amount.

At the present time, there is only one procedure code for breast pumps, which is the HCPCS level II code "E0602." It is defined as "breast pump, all types." When the breast pump is rented, an HCPCS modifier "RR" should be reported with the procedure code. All breast pumps must be submitted under this code (and modifier, if applicable) for payment consideration under the new benefit.

Inpatient Hospital Reimbursement

During the past year, the UMP has been working on a project to rebase the UMP's inpatient hospital reimbursement system and to calculate updated payment factors for implementation in the 2001 hospital contracts. The project has now been completed. Cost patterns and weights for different types of inpatient procedures were developed using data from:

- ▶ 1998 Comprehensive Hospital Reporting System (CHARS)—DOH;

- ▶ Medicare cost reports (Health Care Financing Administration [HCFA]);
- ▶ Charity Care and Bad Debt data from DOH; and
- ▶ HCFA Wage Index.

The rebasing project also examined reimbursement policies such as payments for outlier cases, low volume procedures, hospitals that are paid on a "per diem" rather than a "per case" basis, and transfers to sub-acute care.

The results of the rebasing, including conversion factors, updated rates, and Version 14.0 of the All Patient Diagnosis Related Grouper (AP-DRG), have been incorporated into hospital contracts effective January 1, 2001.

Outpatient Prospective Payment System (OPPS)

The UMP is in the process of developing a prospective payment system for outpatient facility claims, in collaboration with Medicaid and the Department of Labor and Industries. The state agencies will be using the same ambulatory payment classification (APC) grouper and weights as HCFA, and rigorously following HCFA policy unless there are significant and compelling reasons to do otherwise. The UMP's implementation date is targeted for January 1, 2002, approximately 1 ½ years after HCFA's implementation of its APC-based OPPS. This will ensure we remain consistent with the federal system while enabling hospitals to adjust to the new reimbursement system.

Billing Reminders

- ▶ HCFA's current 2-digit place-of-service codes must be included on the HCFA-1500 claim form for UMP payment consideration. Refer to the UMP *Billing and Administrative Manual for Professional Providers* for a listing of these codes.
- ▶ Use the appropriate HCFA-1500 or HCFA-1450 (UB-92) claim forms when billing the UMP.

Electronic Claims Submission

Don't forget: When the UMP is a member's primary insurance, we accept electronic professional and facility claims through many electronic clearinghouses. Please use our **electronic claims payer number—75243**—for the submission of electronic claims. If you have any questions and/or difficulties, please contact the UMP Customer Service Department at 1-800-762-6004 (main number) or 1-800-464-0967 (provider service line) for assistance.

Updated Pages for UMP Billing Manual for Professional Providers

Enclosed with this bulletin are updated sections for the *UMP Billing and Administrative Manual for Professional Providers*. Please review the updated pages and insert them into your manuals accordingly.

Announcements and Other Information

Electronic Crossover of Medicare Part B Claim Information for Secondary Payment Consideration

Effective January 15, 2001, the UMP began coordinating with Noridian Mutual Insurance Company, a contracted Medicare carrier/intermediary, for electronic processing of secondary professional claims for Medicare-enrolled UMP members.

This means that most Medicare-enrolled UMP members will no longer need to submit their Part B Explanation of Medicare Benefits (EOMB)/Medicare Summary Notices (MSN) to the UMP. The information will automatically be sent by Noridian Mutual Insurance Company to the UMP in an electronic file for further payment consideration.

We are continuing to work with Noridian Mutual Insurance Company and other Medicare carriers/intermediaries to expand our interface for Part B facility services and Part A inpatient claims. If you need additional information or assistance, please contact the UMP Customer Service Department at 1-800-762-6004 (main number) or 1-800-464-0967 (provider service line).

Interactive Voice Response

During early January 2001, the UMP Customer Service Department implemented an interactive voice response (IVR) system that allows providers and members to verify member eligibility and claims status information. To use the IVR system, please contact the UMP Customer Service Department at 1-800-762-6004 (main number), or 1-800-464-0967 (provider service line), and follow the recorded instructions that will direct you to the IVR self-service program.

Once in the system, you will have the ability to verify eligibility and claims status for multiple members. You can also exit the IVR system at any point and return to a UMP customer service representative when additional assistance is needed. Please remember that our customer service hours are 8 a.m. to 6 p.m. PST, Monday through Friday.

Be sure to try this new service. If you have any questions or difficulties, please contact the UMP Customer Service Department.

New E-mail List Distribution Service (ump-providers@listserv.wa.gov)

We have set up an e-mail list distribution service to disseminate UMP information, such as billing and payment system update notices and/or other pertinent announcements to interested providers. This will be an additional mechanism for us to notify providers of UMP updates. We will continue our efforts to keep information on our Web site current, including the fee schedules and billing manuals. Our provider bulletins and revised pages to our billing manuals will continue to be mailed to you on a periodic basis.

To be included on our new e-mail LISTSERV distribution list, please visit the Web site—

listserv.wa.gov/archives/ump-providers.html

—and use the "join or leave the list" link to sign yourself up. The Web site also contains archives of past postings. If you do not have Web browsing access, send an e-mail to "listserv@listserv.wa.gov" with no subject line, and with the following in the body of the message:

SUBSCRIBE UMP—*your name*

Your name is your actual name, not your e-mail address. This service will automatically pull your e-mail address when you subscribe.

Please don't hesitate to contact us at (206) 521-2023 or 1-800-292-8092 if you have trouble subscribing to our new e-mail list distribution service.

Contractor for Data Management and Provider Profiling

VIPS, an information technology company headquartered in Maryland, was recently selected as the successful bidder to provide data management and provider profiling services to the UMP. Under the contract, VIPS will maintain a data warehouse of UMP medical claims information, and provide software that allows UMP staff and our actuarial consultants to query the data and run reports.

Materials for Patients

Looking for materials to give patients who are pregnant or planning pregnancies? The March of Dimes offers several free booklets and magazines with good information on health issues for prospective mothers. Click on "Free Materials" from their home page (www.modimes.org); or call 1-800-367-6630 to see if these materials might be right for your patients.